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June 18, 1997

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, DC 20554

Re: GEN Dkt. No. 90-314
ET Dkt. No. 92-100
PP Dkt. No. 93-253

Dear Mr. Caton:

Transmitted herewith on behalf of American Paging, Inc., by its attorneys, are an original and nine copies of its Comments in the above-referenced proceeding.

In the event there are any questions concerning this matter, please communicate with the undersigned.

Very truly yours,


George Y. Wheeler

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC 20554

In the Matter of)

Amendment of the Commission's Rules)
to Establish New Personal Communica-)
tions Services, Narrowband PCS)

GEN Docket No. 90-314
ET Docket No. 92-100

Implementation of Section 309(j) of the)
Communications Act - Competitive)
Bidding, Narrowband PCS)

PP Docket No. 93-253

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COMMENTS OF AMERICAN PAGING, INC.

American Paging, Inc., on behalf of itself and its subsidiaries,¹ (collectively "API"), by its attorneys, comments in response to the Commission's Report and Order and Further Notice of Proposed Rulemaking ("Order/Further Notice") (FCC 97-1140) in the above-captioned proceeding.

API has been an active supporter of the phased program of narrowband PCS auctions adopted in the Commission's Competitive Bidding Third Report and Order² to provide for the auction of a separate group of independent MTA licenses. We have also supported the Commission's policies to "...foster broader participation in narrowband PCS, allow entry for

¹ Its subsidiary, Advanced Wireless Messaging, Inc., holds licenses, Call Signs KNKV215, KNKV221, KNKV227, KNKV233 and KNKV239, for regional narrowband PCS systems, granted May 11, 1995.

² Implementation of Section 309(j) of the Communications Act - Competitive Bidding, Third Report and Order, PP Dkt. No. 93-253, 9 FCC Rcd. 2941, 2951, ¶ 27 (1994) ("Competitive Bidding Third Report and Order").

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smaller firms and businesses, increase competition, and provide diversity in the provision of narrowband services.”³ Among the remaining service area categories for narrowband PCS, MTAs alone have the diversity of service area sizes to meet these important objectives.

The long interval between the close of Auction No. 3 and the adoption of the Commission’s Order/Further Notice has not diminished the public benefits of the phased sequencing of narrowband PCS licensing opportunities adopted in the Commission’s Competitive Bidding Third Report and Order. With nationwide and regional narrowband PCS licensing now complete, the Commission should give incumbent paging licensees and new entrants expanded opportunities⁴ to acquire channels for MTA service areas as follows:

	50/50 KHz (Paired)	50/12.5 KHz (Paired)	50 KHz (Unpaired)	12.5 KHz (Unpaired)	Total Channels
MTA	2	5	2	8	17

We strongly oppose any expansion of nationwide or regional channel allocations at this time. The development of a channelization plan for the reserved one MHz of narrowband PCS spectrum should be postponed pending an industry-initiated study of its spectrum needs as requested concurrently in the Comments of The Personal Communications Industry

³ Amendment of the Commission’s Rules to Establish New Personal Communications Services, First Report and Order, GEN Dkt. No. 90-314, 8 FCC Rcd. 7162, 7167, ¶ 27 (1993) (“PCS First Report and Order”).

⁴ Our proposal would reallocate existing BTA channels for MTA use.

Association.

Discussion

We have long advocated the elimination of BTA allocations for narrowband PCS spectrum so that the number of MTA allocations could be correspondingly increased. This change is entirely consistent with the Commission's objectives to provide a diversity of entry/deployment opportunities for the more than 600 incumbent paging licensees,⁵ as well as possible new entrants. It also reflects the evolving market demand for wide-area coverage and related cost-efficiencies of paging network operations.

MTA licensing, which has been adopted for broadband PCS, 929 MHz and 931 MHz paging, 800 MHz Specialized Mobile Radio, Location Monitoring Service, as well as for narrowband PCS, remains an entirely appropriate geographic area for effective narrowband PCS implementation. MTAs reflect metropolitan-based centers of economic activity ranging in size up to 26.4 million population (New York MTA). In terms of physical size, MTAs are diverse, being vast in some cases encompassing areas of multiple states and much smaller in many instances. As the Commission stated in its PCS Memorandum Opinion and Order,⁶ "...[w]e continue to believe that service areas based on MTAs contain sufficient population

⁵ See Revision of Part 22 and Part 90 of the Commission's Rules to Facilitate Future Development of Paging Systems, Notice of Proposed Rulemaking, WT Dkt. No. 96-18, 11 FCC Rcd. 3108, 3110 ¶ 7 (1996).

⁶ Amendment of the Commission's Rules to Establish New Narrowband Personal Communications Service, Memorandum Opinion and Order, GEN Dkt. No. 90-314, 9 FCC Rcd. 1309, 1311, ¶ 14 (1994) ("PCS Memorandum Opinion and Order").

and geographic area to support economically viable narrowband PCS services.” API is not aware of any “problems” which have emerged since the Commission made this statement relating to the size or configuration of MTA service areas. Nor do we believe that MTA service areas are too small to provide suitable “economies of scale.”

The Commission’s revised proposal (Order/Further Notice, para. 31) eliminates BTA allocations, substantially reduces the number of MTA allocations for paired channels and increases the number of nationwide/regional allocations. This revision, if adopted, would heavily skew the allocations to categories on which only the largest paging carriers can afford to bid. Incumbent paging licensees and new entrants who are not able to fund license acquisitions much less buildout service to population clusters of 50 million or more would realistically have a single 50/12.5 KHz (paired) MTA channel to bid on under the Commission’s proposed revision.⁷ This outcome is grossly unfair to the numerous potential bidders including the vast preponderance of incumbent paging licensees.

We disagree with the Commission’s suggestion that its revised proposal addresses “...additional demand to provide narrowband PCS on a regional or nationwide basis.”⁸ In the absence of any opportunity for MTA licensing, the question of additional demand for

⁷ The prospect of an incumbent bidding on an unpaired 50 KHz, and an unpaired 12.5 KHz license in the same MTA presents serious uncertainties and business risks. There is no assurance the unpaired 12.5 KHz channels will be available given that numerous large paging companies are eligible to bid for these channels.

⁸ Order/Further Notice, para. 30.

nationwide or regional service areas is unfairly speculative. Bidders who have waited for more than three years to bid for MTA paired channels should not be deprived of realistic opportunities to acquire such channels.

We believe that the appropriate occasion for the Commission to revisit its geographic channel allocations for the narrowband PCS service is in connection with the adoption of licensing rules for the one MHz reserve spectrum. The Commission should permit the industry evaluation of its narrowband PCS spectrum needs to be accomplished as proposed by PCIA. While this evaluation is taking place, the Commission should auction off the remaining allocated MTA channels so that it will have these auction results, as well as other resources, to determine channelization and service area definitions for the reserve spectrum.


Conclusion

The Commission has waited more than three years to complete the initial round of narrowband PCS licensing contemplated in its Competitive Bidding Third Report and Order. Minor adjustments to that initial licensing scheme (i.e. elimination of BTAs in favor of expanded MTA licensing opportunities) should be adopted as fundamentally supportive of the Commission's goals to accommodate the operation of competitive narrowband PCS services at the local level. The auctions for MTA license selection should be commenced as promptly as possible. The serious and potentially controversial issues regarding allocations for additional nationwide and regional channels should be addressed when the

results of the PCIA-sponsored analysis of industry spectrum needs have been completed.

Respectfully submitted,

AMERICAN PAGING, INC.

By 
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